THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) India shares a common border with only one ASEAN nation *viz.* Myanmar. Zokhawthar in Mizoram has been inaugurated as a border trade point with Myanmar on 30-1-2004. Trade with Myanmar, including border trade, is also taking place through the land Customs Station located at Morch in Manipur.

(c) 22 locally produced items have been notified for border trade with Myanmar *inter-alia* including Mustard/Rape Seed, Pulses and Beans, Fresh Vegetables, Fruits, Garlic, Onion, Chillies, Bamboo etc.

(d) Border trade in locally produced commodities is likely to help in improving the economy of the region.

Rising trade deficit

240. SHRI MURLI DEORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the trade deficit has been rising from $ 15 billion in 2003-04 to $ 30 billion in 2004-05 indicating that our exports have been significantly falling behind imports;

(b) whether the exports of more labour intensive products like textiles and food products increases employment whereas the reverse goes for imports;

(c) whether in China exports have been running ahead of imports inspite of the increase in oil price; and

(d) the steps taken by Government to remedy the rising trade deficit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) As per the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, trade deficit during 2003-04 and 2004-05 was US $14 billion and US $ 28 billion respectively.

(b In general, export of more labour intensive products should result in increase in domestic employment. Reverse relationship may not necessarily hold true, especially if imports are required as inputs for manufacturing products used for domestic consumption or exports.

(c) According to the latest Statistics published by the World Trade Organisation (WTO), China's exports were higher than its imports in recent years.

(d) A number of factors which include domestic demand and supply conditions, exchange rate policy of the Government and international factors contribute to trade deficit. The growing trade deficit in India is primarily a reflection of growing demand for inputs and capital goods required for manufacturing activities. It also reflects the sharp increase in the international prices of oil which constitutes a significant share of the import bill. At present there are no measures to restricts imports or artificially balance trade which could lead to dampening of the growth of the economy and a resurgence of inflationary pressures.

Increase in import

†241. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that in comparison to export, import is increasing continuously during the past years in the country;

(b) if so, the difference between import and export during the year 2004-05 and after the first three months of year 2005-06;

(c) whether it is also a fact that number of those items are imported in the country which are exported as well; and

(d) if so, the names of these items and the reasons for importing such items which are exported as well?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) In the last few years imports have grown at a faster rate than exports. During 2004-05 India's merchandise exports grew at 24% whereas imports increased by 37% resulting in a trade deficit of almost US $ 28 billion. During the first three months of the current financial year—April-June 2005-06 India's exports increased by 20% whereas imports grew by 38% giving rise to trade deficit amounting to US $ 11 billion.

†Original notice of the question was received in Hindi.